

Remarks to the Chamber of Commerce of the Eastern Province
By US Consul General Joseph Kenny
Tuesday, January 6, 2009

Mr. Abdulrahman Al Rashid, thank you for the warm welcome and this opportunity to speak with the business community of the Eastern Province. I am happy to be amongst so many accomplished men.

Before I get started, I would like to take a moment to introduce the consulate staff who accompanied me here tonight. From the Consular section we have our Consul Julie Stinehart . From the Public Affairs section, we have Ms. Zainab Zaid and Mr. Mohamed Khalil. From the Political-Economic section, we have Mr. Ibrahim Nur. From the Commercial Services section, we have Mr. Ahmed Malas, Mr. Ishtiaq Hussain, Mr. Shujauddin Mohammed, and Ms. Maisa Al Tawil. Our team looks forward to a strong relationship with you.

We are living through some very interesting times for the global economy. **The economic downturn presents many challenges, as we struggle to restore confidence in the economic and banking systems.** With these challenges come unforeseen opportunities in the guise of lower raw material and labor costs, finished products, real property acquisition. The fluctuation in oil prices and stock prices that we have seen over the last few months require patience, cooperation and alternate strategies.

The challenges of managing businesses in such turbulent economic times are unparalleled, especially for those of you implementing the very ambitious large scale industrial expansion plans here in Kingdom, especially in the Eastern Province.

The United States will inaugurate a new President on the 20th of this month. There is much excitement and enthusiasm for President-elect Obama and his new administration. I too will have a new boss shortly. Senator Hillary Clinton will replace Dr. Condoleezza Rice as the Secretary of State. Eventually, there will be a new US Ambassador to Saudi Arabia. That said, the US-Saudi business partnership endures **because of the deep bonds of familiarity that have been established through 75 years of educational, cultural, economic and political cooperation and exchange.**

I am encouraged by the **large number of American companies that have partnered with so many of you** in this audience, and at the opportunities that they are finding in the Kingdom's industrial expansion plans.

The US government applauds the expansion efforts that have been taken in Saudi Arabia, and Consulate Dhahran would like to extend whatever assistance we can to aid this effort. Through our commercial services, we provide a legal and regulatory platform for economic cooperation and exports in all sectors. **Commercial Service networks extend to every state in the US.**

Saudi Arabia is our largest trading and investing partner in the Middle East. With the development of new sectors we hope to continue expanding trade and investment between American and Saudi companies and firms.

The government of the US is working hard to encourage small- and medium-sized enterprises to pursue trade and investment opportunities in Saudi Arabia. The recently approved return of spouses of diplomats to Dhahran and Riyadh will go a long way in assuring the American business community that Saudi Arabia is a safe and business friendly environment.

It is apparent that the **economic, political and cultural ties between our two countries are more robust than previously.** The strength of our bi-lateral economic and business ties continues to grow.

Over the last 5 years, **Saudi exports to the United States** grew by 97 percent – almost doubling. Of course, these exports to my country were largely crude oil, which accounts for 95% of total exports in 2007, or \$33.8 billion.

The good news from my perspective is that the value of goods that Saudi Arabia imported from the United States during the last 5 years grew even faster – by a full 126 percent. However, the total value of these imports from the US was \$10.4 billion – less than a third of your exports to us. The range of goods imported from America is diverse. **At the top of the list is passenger cars. For our somewhat troubled auto manufacturers, the Saudi market is very strong and growing. They exported over 2 billion dollars worth of autos to your country, an astonishing 233% increase over the last 5 years. On the behalf of GM, Ford and Chrysler, let me say ‘thank you Saudi Arabia.’**

Other major imports from the United States include; industrial engines (\$1.5 billion), oilfield equipment (\$570 million), generators (\$336 million), electrical

equipment (\$313 million) and chemicals. **The goods that your country imports from America will help us sustain our manufacturing base and maintain precious manufacturing jobs for America's workers. Now, more than ever, this market is very important to us in these troubled economic times.**

If anything, the global economic crisis seems to have focused the attention of a wide range of American businesses on the relative strength of the Gulf economies in general and Saudi Arabia in particular. Our Commercial Section at the Consulate has recorded a significant increase recently in the number of requests it receives from American firms seeking partners in the Eastern Province. In an era of contracting credit markets, the relatively healthy cash flows of this region make it one of the world's few bright spots.

In recognition of the growing importance of our bi-lateral business relations, I am happy to report that, over the last year, **we have added two staff members to our Commercial Section at the Consulate, including an American officer.**

One of the new additions to our Commercial staff, Ms. Maisa Al-Tawil is engaging energetically with your Chambers' Women's Committee and the growing number of women-owned businesses in the Eastern Province. She is also focusing on the medical and healthcare sectors and on education. You may recall a very successful education fair that the Chamber hosted in October that featured 19 US universities and attracted approximately 500 Saudi students and their parents. Our college recruiters were suitably impressed with both the caliber and number of students showing interest in their fine institutions of higher education.

I cannot overstate the importance to our Consulate of helping Saudi students find educational opportunities at US universities. From a pure business perspective, foreign students enrich our economy significantly. **However, of far greater significance are the strong cultural bonds between our countries that are created when Saudi students spend a few years at American colleges.** This pays enormous dividends over the long term – culturally, politically and economically. The trend is very positive. I am happy to report that the number of Saudi students traveling to study in the United States has finally surpassed the levels of the pre-September 11, 2001 period. Currently, there are more than 18,000 Saudi students attending U.S. institutions of higher education.

Our Commercial Section is also expanding the number of Saudi delegations that it leads to important trade shows in the United States. It is now recruiting Saudi delegations to the International Franchise Show in

Washington in March and the Offshore Technology Conference in Houston in May, as well as many others. I encourage you to engage our Commercial staff to learn more about these opportunities.

The restoration of full visa services in Dhahran, and the issuance of five-year visas is a testament to the continuing US-Saudi relationship, particularly the economic and commercial relationship between our two countries.

The government of Saudi Arabia has agreed to extend American visitors and business people five-year, multiple entry visas as part of a reciprocity agreement. This agreement should help reduce red tape that American businessmen and women encounter when conducting business with their Saudi business partners.

Another exciting initiative for the Consulate is in the process of establishing an alumni network of Saudis who have previously studied in the US. If you have any interest in joining or participating in this network, please let me or any of my staff know.

Some interesting statistics regarding visas to the U.S. are:

- **Dhahran opened for full visa operations on May 3, 2008;**
- **Nearly 7,000 visa cases processed over last 8 months;**
- **Currently averaging about 1,000 visa interviews per month;**
- **Current wait time for a visa interview averaging about two months;**
- **Business people who need an expedited appointment can use the on-line “emergency appointment” function and normally obtain an appointment within the following two weeks;**
- **Plans to expand our operations over the next year;
In the future we plan to build a new Consulate Building and housing.
This will enable us to serve you better.**
- **The vast majority of applicants have their visa within one month;**

Thank you for this opportunity to speak with you this evening. I look forward to working with you in the coming weeks and months. My staff and I welcome your questions.